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Forecast, cloudy showers
(Details on page 2)

No. 41—101st YEAR | VICTORIA, BRITISH COLUMBIA, FRIDAY, JANUARY 30, 1959 | ***** | 10 CENTS DAILY 14 CENTS SUNDAY | 32 PAGES

Royal Bank of Canada President Warns:

PRICES AT EXPLOSION POINT

Dolly Saved in U.S. Flood

"Mustn't leave my dolly to drown," says Jeannie Curry, 11, as she and neighbor pal Charley Scheider, 10, wade their way out of flood-stricken area of Wheeling Island, W.Va. Thousands are homeless in Virginia and Ohio although flood peaks have passed.

★ ★ ★

Thames Overflows in England

With her bubble-top car axle-deep in England's flood waters, Mrs. Jean Childs of London finds herself stranded while on a drive to Maidenhead. She was trapped when Thames River burst its banks. Many flooded areas of England are slowly returning to normal.

Talks Clear the Air

No Decision Made In Fulton Protest

WASHINGTON (UPI) — Canadian Justice Minister E. Davie Fulton and U.S. Attorney-General William P. Rogers said last night they had "cleared the air" to some extent over a rift in relations caused by U.S. anti-trust actions involving Canadian firms.

They added that no concrete conclusions could be expected to be reached on "problems as knotty as this" in one meeting.

Fulton and Rogers conferred for about four hours yesterday afternoon with a break for lunch. In response to a question, Rogers said no decisions were made.

Rogers said that the "general sense of the conference was that there would be future consultation with each other about common problems."

"As a result of the conference we expect better understanding and closer co-operation," he added.

House Hits Car

HAMPTON, S.C. (AP)—When Ted Goreau came home from work, his wife explained a dent in a fender:

"A house ran into the car."

A small frame house being moved hit the parked Goreau car.

'Alarming'

Respect Cloaks Thieves

BROCKVILLE, Ont. (UPI) —Police chief Wilmot Young Thursday blamed a group of respected businessmen for masterminding North America's largest crime, the theft of more than $9,000,000 from the Brockville Trust Company last May.

The chief said in his annual report that these "masterminds" got away with the crime while the lone man caught was just a "workman" they hired.

Rene Martin, 23, of Montreal, was sentenced to 12 years for his part in the robbery after his bank book was found at the scene. He was the only man captured.

Chief Young said "I know who these masterminds are and maybe eventually I'll be able to collect sufficient evidence to charge them.

"It is alarming and unfortunate that such a group is operating in Canada and masterminding serious crimes while hiding behind the cloak of respectability," the chief wrote in his report.

Don't Miss

CPR, Unions Settle Coast Ferry Dispute
(Page 5)

★ ★ ★

Canada Raises Duty on Cottons
(Page 11)

★ ★ ★

'Good Family' Boys Stole Cars for Kicks
(Page 12)

★ ★ ★

Ten Commandments For Good Wives
(Page 19)

★ ★ ★

Labor Advisory Body Hinted by Wicks
(Page 21)

★ ★ ★

Social Security Plan Wins Wide Support
(Page 31)

Winners of Stork Derby

Winners of $1,025 in the second phase of the Foster stork derby are Mrs. Marguerite Thompson and her 10 children. The derby was started by the will of Thomas Foster, former Toronto mayor, who left cash sums for the family with the greatest number of children.

Result of Red Growth

No War —Gromyko

MOSCOW (Reuters)—Foreign Minister Gromyko told Communists Thursday that the steady growth of their ideology has produced a "realistic possibility" of no further world wars.

Addressing the third day's session of the Soviet Communist party's 21st congress in the Kremlin Palace, Gromyko interspersed predictions of peace with stormy assaults on Western policy and Western statesmen.

DEFENCE OF PEACE

"A realistic possibility emerges of excluding a world war from the life of human society," said Gromyko. "If the socialist system were to give only this—the guarantee of the impossibility of a world war—this alone would mean the death knell for capitalism . . . our foreign policy will continue to be directed toward the defence of the cause of peace."

AWFUL DEFEAT

But "any war now could result only in the defeat of the aggressor, and the extent of this defeat would be unparalleled by anything known in history."

Gromyko said "the most important international question today" is the need to conclude a German peace treaty and end Berlin's four-power status.

ADENAUER SCORED

"It is to be regretted therefore that West Germany's Chancellor Adenauer is always the first to reject any Soviet proposal aimed at easing international tension."

Chant Looks Ahead

Varsity, Hall For City

Public Works Minister Chant told the legislature last night that he envisages an auditorium for Victoria in the "not far distant future," but he didn't say if it would be built with provincial government aid.

He also forecast a university and a museum in Victoria in the future.

"An auditorium could bring a great deal of revenue to Victoria through entertainments and conventions," he said.

Socreds Claim Credit

Credit for yesterday's news that the U.S. has given tacit agreement to downstream benefits on the Columbia was given yesterday by Works Minister Chant to Premier Bennett and Lands and Forests Minister Ray Williston.

(See Page 2)

"It is a major victory for B.C.," he said. "It is indisputable evidence of what we are accomplishing. Canada will benefit, but B.C. fought for it."

Socreds claim proposals for development of Peace River gave bargaining strength for Columbia River downstream benefits.

'Talk' Only Danger

OTTAWA (UPI) — David Walker (PC — Toronto Rosedale) told Parliament Thursday the only danger of inflation in Canada was that created in Canadians' minds by the opposition's constant pounding on the subject.

"If the opposition keeps pounding away they may convince the consumers and businessmen that inflation is inevitable," he said. He added that this could lead to "psychological inflation."

JAMES MUIR
. . . we're no giant

U.S. Concedes Russia Ahead

WASHINGTON (AP) — Defence Secretary McElroy conceded Thursday that the United States will have fewer intercontinental ballistic missiles than Russia in the next two years.

"But," he told a Senate hearing, "we still have adequate forces to deter an attack."

Testifying before the Senate preparedness subcommittee, McElroy disputed a contention that the Soviet Union now leads the U.S. in the ICBM field. He said neither side has an operational ICBM at this time.

READY TN JULY

However, the defence chief said the first U.S. operational base for ICBMs will be in use next June at Vandenberg Air Force Base, in California.

Edwin Weisl, counsel for the investigating group, later interpreted McElroy's testimony as meaning "the first operational squadron of ICBMs will be ready in July." McElroy did not challenge this statement.

RETURN PUNCH

While acknowledging that Russia will have more ICBMs in the near future, McElroy voiced confidence that the U.S. will have a big enough retaliatory punch from improvements in manned bombers, missile-firing submarines and other advances including those in the general missile field.

On a number of questions—including one about the planned production rate for missiles over the next two years — McElroy declined to reply on the ground that the information is secret.

NOT COMPETING

McElroy agreed that under present plans Russia may have many more ICBMs than the U.S. in two years, and without mentioning any numbers said "it is not our intention to match them missile for missile in the ICBM," in that period.

McElroy said he believes the U.S. has a "very marked superiority" over Russia in heavy bombers and a somewhat lesser edge in medium bombers. Counting both fighters and bombers, he thought the two powers about even in numbers.

Motion Lost

Liberal, CCF Bid Fizzles

OTTAWA (CP)—The big Progressive Conservative majority in the Commons Thursday night turned back, on a vote of 174 to 48, a Liberal want-of-confidence motion accusing the government of indecision, contradiction and confusion.

Liberal members were joined by the CCF party in the vote, which came at the end of the second-last day in the 10-day Throne Speech debate.

The debate is to conclude today on the traditional motion for an address in reply to the Throne Speech — in effect a motion calling for an expression of confidence in the government.

Provincial Buildings Galore

W. N. Chant told the legislature last night that since he has been minister of public works the government has built major buildings on an average of one every five weeks.

Canada Soft, Indolent

VANCOUVER (CP) — Prices in Canada "are inflated to a point of explosive danger," James Muir, chairman and president of the Royal Bank of Canada, said Thursday night.

In a hard-hitting address to the Vancouver Board of Trade, he also said the Western democracies are suffering from a pathological fear of foreign competition and added:

"Somehow it has to be brought forcibly home to us that, comparatively, we are an indolent, pleasure-seeking and soft section of humanity as opposed to the endlessly toiling, fanatical and dedicated hordes in other lands who seek first to equal and then surpass the productive powers of the Western world."

FREER TRADE

Mr. Muir said he believes the only way to achieve healthy economic growth in Canada and abroad under a private enterprise system is by increasing productive efficiency through freer trade "at the same time that we retain and even increase incentives to further expansion."

"It also requires us to look our costs squarely in the eye and quit fooling ourselves into believing that we are an economic giant who can afford almost anything," he said.

WATCH PENNIES

"The true facts are that we are only moderately well off and have an urgent need to watch our pennies so that we can find our share of the new capital sorely needed for our future development."

Mr. Muir said Canada is showing a pronounced tendency to become a high-cost economy.

SELF-EXAMINATION

"Like the United States, we are pricing ourselves out of world markets. . . A little self-examination and realistic thinking should cause us to question whether it is feasible to base our labor and other costs on those of the United States, a country with massive production and a huge home market which is actually more than 10 times as large as our own."

Mr. Muir said that "all one has to do is look at a TV program advertising identical goods here and in the United States to learn that our dollar has eroded away and beyond that of the United States."

"There is some evidence that Western democracies generally are suffering from a pathological fear of foreign competition.

"When the Commonwealth conference considered the Communists' economic offensive, it was not in terms of their effort to 'catch up' industrially with the West but in terms of the low prices they were charging for exported goods. It was then recommended that they be invited by the West to sell to us at higher prices."

Killer Smog Shrouds England

LONDON (Reuters)—Memories of the "killer smog" of 1952 returned to Britain Thursday as the worst and most widespread fog of the winter smothered the country and brought transportation almost to a standstill.

The department of scientific and industrial research said Thursday's smog was about as bad as the first day of the 1952 terror which was blamed for an estimated 3,500 deaths in four days.

After 18 hours of the fog many parts of London were still virtually blacked out Thursday night. Air traffic ceased, shipping was delayed and trains, buses and cars barely managed to crawl.

Two deaths and dozens of injuries were reported in accidents. Hundreds of cars were abandoned along main roads leading into London. Police walked in front of ambulances en route to or from hospitals.

Smith to Ask B.C. Intervention If Parking Vote Plea Ignored

J. Donald Smith, Victoria Social Credit MLA and former Victoria alderman, said in the provincial legislature yesterday that if Victoria city council does not re-submit to the electors its $1,000,000 off-street parking bylaw he will ask the minister of municipal affairs to intervene.

He said the scheme will cost $750,000 in interest charges.

He said he is trying to get council to present the bylaw again, but if it doesn't he will ask the municipal affairs minister to order it to put the question to another vote.

(See other Smith stories on Pages 2 and 7.)